

## PUBLIC SERVICE COMMISSION OF WISCONSIN

### Minutes and Informal Instructions of the Open Meeting of Tuesday, November 22, 2022

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Commissioner Nowak and Commissioner Huebner. Chairperson Valcq participated via telephone.

#### **Minutes**

The Commission approved the minutes of the open meeting of Thursday, November 10, 2022.

#### **615-CW-102 - Application of the Village of Blue Mounds, as a Water Public Utility, for Authority to Replace Booster Station No. 1, in the Village of Blue Mounds, Dane County, Wisconsin**

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission.

#### **955-CW-100 - Application of the Village of Cascade, as a Water Public Utility, for Authority to Construct Well No. 3 and Well House, in the Village of Cascade, Sheboygan County, Wisconsin**

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission.

#### **6680-AE-122 - Application for Approval of Affiliated Interest Agreements Related to Wisconsin Power and Light Company's Ownership and Operation of Solar Projects**

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission.

#### **3320-CW-115 - Application of the City of Manitowoc, as a Water Public Utility, for Authority to Construct a Water Main Extension Project Outside the City of Manitowoc's Corporate Limits, Manitowoc County, Wisconsin**

#### **Revised Tariff and Reporting Requirements**

The Commission reviewed the revised tariff and proposed reporting requirements submitted as directed by Order Point Nos. 9 and 10 of the Commission's Final Decision dated January 25, 2022, and approved the revised tariff as filed and the reporting requirements as proposed.

The Commission directed the Division of Water Utility Regulation and Analysis draft an order consistent with its discussion.

**4220-ER-102 - Application of Northern States Power Company-Wisconsin for Approval of its 2023 Fuel Cost Plan**

The Commission reviewed the application of Northern States Power Company-Wisconsin (applicant) for approval of its 2023 fuel cost plan and made the following determinations:

1. The Commission accepted all of Commission staff's adjustments to the applicant's monitored fuel costs.

Commissioner Huebner dissented on Adjustment 8 relating to the update to capacity sales, and would have modified this adjustment to further decrease monitored fuel costs.

2. The Commission approved the uncontested alternatives listed for Issues 2, 4, and 5 in the Final Decision Matrix. ([PSC REF#: 450139](#)).
3. The applicant shall not be required to provide an estimate of the incremental impact of the proposed Cross-State Air Pollution Rule on its filed monitored fuel costs.
4. The Commission approved the applicant's 2023 fuel cost plan.

The Commission directed the Division of Energy Regulation and Analysis to draft an order consistent with its discussion.

**5820-UR-116 - Application of Superior Water, Light and Power Company for Authority to Adjust Retail Electric, Gas, and Water Rates**

The Commission reviewed the application of Superior Water, Light, and Power Company (applicant) for authority to adjust retail electric, gas, and water rates and made the following determinations:

1. The Commission approved all uncontested alternatives listed in the Final Decision Matrix. ([PSC REF#: 450469](#)).
2. The applicant shall discontinue escrow accounting treatment for credit card fees and a true-up shall be required in a future proceeding.
3. The final revenue requirement shall use the inflation rate that existed at the date the application was filed.

4. A reasonable rate of return on the applicant's common equity is 10.0 percent.

Commissioner Nowak dissented.

5. A reasonable interest rate for the applicant's short-term borrowing is 3.63 percent.
6. The Commission declined to adopt a specific electric or natural gas Cost of Service Study (COSS), and instead relied upon multiple models for revenue allocation and rate design.
7. The Commission approved the electric revenue allocation proposed by the applicant, as adjusted for final revenue requirement.

Chairperson Valcq dissented.

8. The Commission accepted the electric rate design proposed by the applicant in Ex.-SWLP-Young-9, as adjusted for the final revenue requirement.

Chairperson Valcq dissented.

9. The Commission accepted the fixed customer charges for each class proposed by the applicant and presented in Commission staff's offered rate design.

Commissioner Huebner dissented on the fixed customer charges for customer classes ER-1 and ER-TD.

10. The applicant shall file for an interruptible rate option as proposed by Enbridge.
11. The Commission approved the natural gas revenue allocation proposed by Commission staff in Ex.-PSC-Eiter-r, as adjusted for final revenue requirement.
12. The Commission accepted the natural gas rate design proposed by Commission staff in Ex.-PSC-Eiter-2, as adjusted for the final revenue requirement.
13. The Commission accepted the natural gas fixed customer charges for each class proposed by the applicant in Ex.-SWLP-Nelson-1.
14. The Commission accepted the applicant's proposal to eliminate the Coal Displacement Rate.

The Commission directed the Division of Energy Regulation and Analysis to draft an order consistent with its discussion.

**6680-ER-103 - Application of Wisconsin Power and Light Company for Approval of its 2023 Fuel Cost Plan**

The Commission reviewed the application of Wisconsin Power and Light Company (applicant) for approval of its 2023 fuel cost plan and made the following determinations:

1. The Commission approved all uncontested alternatives listed in the Final Decision Matrix. ([PSC REF#: 450421](#)).
2. The results of the economic dispatch model shall be adjusted to reflect the applicant's proposed limit on excess generation of 17 percent for each month of 2023.

Commissioner Huebner dissented.

3. A symmetrical fuel window of plus or minus 2.0 percent is reasonable as a monitored fuel "window" for a surcharge or refund.
4. The Commission approved the application of the applicant's 2023 fuel cost plan.

Commissioner Huebner dissented.

The Commission directed the Division of Energy Regulation and Analysis to draft an order consistent with its discussion.

**6680-UR-123 - Application of Wisconsin Power and Light Company for Authority to Adjust Electric and Natural Gas Rates**

**Limited Gas Reopener**

The Commission reviewed and approved the application of Wisconsin Power and Light Company (applicant) for a limited reopener to adjust natural gas rates, approving all of the uncontested alternatives listed in the Final Decision Matrix ([PSC REF#: 450136](#)) and using Ex.-WPL-Monroe-Nye-3r for natural gas revenue allocation.

The Commission directed the Division of Energy Regulation and Analysis to draft an order consistent with its discussion.

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The Commission adjourned the meeting at 11:05 a.m.

A handwritten signature in black ink, appearing to read "Cru Stublely", with a long horizontal flourish extending to the right.

Cru Stublely  
Secretary to the Commission

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